

PRESTON DuFAUCHARD
California Corporations Commissioner
MICHAEL L. PINKERTON
Deputy Commissioner
ALAN S. WEINGER (BAR NO. 86717)
Lead Corporations Counsel
BLAINE A. NOBLETT (BAR NO. 235612)
Corporations Counsel
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
Telephone: (213) 576-1396 Fax: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA)	Case No.: 413-0344
CORPORATIONS COMMISSIONER,)	
)	STATEMENT OF FACTS IN SUPPORT OF
Complainant,)	ORDER TO DISCONTINUE VIOLATIONS
)	PURSUANT TO CALIFORNIA
vs.)	FINANCIAL CODE SECTION 50321
)	
MILLENNIA MORTGAGE CORPORATION,)	
dba FUNDERS, COUNTYWIDE)	
MORTGAGE.COM,)	
)	
Respondent.)	

The Complainant is informed and believes and based upon such information and belief, alleges and charges as follows:

1. Millennia Mortgage Corporation, dba Funders, Countywide Mortgage.Com (“Millennia Mortgage” or “Respondent”) is a residential mortgage lender licensed by the California Corporations Commissioner (“Commissioner” or “Complainant”) pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (Cal. Fin. Code, §§ 50000 et seq.).
2. On or about August 6, 2007, the Commissioner commenced a regulatory examination of the books and records of Millennia Mortgage (“2007 regulatory examination”). The 2007 regulatory examination disclosed that in five of seventeen, or approximately twenty-nine percent

(29%), of the loans reviewed, Millennia Mortgage was charging the borrower per diem interest in excess of one day prior to the date on which the majority of the loan proceeds were disbursed to the borrower, to a third party on behalf of the borrower, or to the licensee to satisfy an existing obligation of the borrower in violation of California Financial Code sections 50204, subdivision (i), 50204, subdivision (k), and 50204, subdivision (o). (See also, Commissioner's Release No. 58-FS, dated August 1, 2007, defining "disbursement date" for purposes of Cal. Civ. Code, § 2948.5.) The per diem interest overcharges averaged \$129.78 per loan. The range of per diem interest overcharges was between \$19.42 and \$186.08. In all of the subject loan transactions, Millennia Mortgage overcharged borrowers interest for a total of two (2) days.

3. In or about February of 2008, Millennia Mortgage completed its self-audit for the 2007 regulatory examination, identifying a total of \$3,555.00 in refunds made to borrowers concerning twenty-eight (28) loan files.

4. During a prior examination in or about September of 2003, the Commissioner found that Millennia Mortgage had made per diem interest violations in eight (8) 2nd lien mortgage loan transactions. The Respondent performed a self-audit and refunded \$796.67 in overcharges to the borrowers.

5. By reason of the foregoing, Millennia Mortgage has violated California Financial Code sections 50204, subdivision (i), 50204, subdivision (k), and 50204, subdivision (o).

6. California Financial Code section 50321 provides in pertinent part:

If, after investigation, the commissioner has reasonable grounds to believe that any licensee has violated its articles of incorporation or any law or rule binding upon it, the commissioner shall, by written order addressed to the licensee, direct the discontinuance of the violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 50323.

7. California Financial Code section 50323 provides:

(a) No order issued pursuant to Section 50321 or 50322 may become final except after notice to the affected licensee of the commissioner's intention to make the order final and of the reasons for the finding. The commissioner shall also notify the licensee that upon receiving a request the matter will be set for hearing to commence within 15 business days after receipt. The licensee may consent to have the hearing

1 commence at a later date. If no hearing is requested within 30 days
2 after the mailing or service of the required notice, and none is ordered
3 by the commissioner, the order may become final without hearing and
4 the licensee shall immediately discontinue the practices named in the
5 order. If a hearing is requested or ordered, it shall be held in accordance
6 with the provisions of the administrative Procedure Act (Chapter 5
7 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of
8 the Government Code), and the commissioner shall have all the powers
9 granted under that act. If, upon the hearing, it appears to the commissioner
10 that the licensee is conducting business in an unsafe and injurious manner
11 or is violating its articles of incorporation or any law of this state, or any
12 rule binding upon it, the commissioner shall make the order of discontinuance
13 final and the licensee shall immediately discontinue the practices named
14 in the order.

(b) The licensee has 10 days after an order is made final to commence to
restrain enforcement of the order. If enforcement of the order is not
enjoined within 10 days by the court in which the action is brought,
the licensee shall comply with the order.

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue
Violations Pursuant to Financial Code Section 50321 and notifying Millennia Mortgage Corporation,
dba Funders, Countywide Mortgage.Com of his intention to make the order final.

Dated: January 20, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Blaine A. Noble
Corporations Counsel